

DRAFT - Risk Dashboard

California Public Employees' Retirement System Enterprise Risk Management - Risk Exposure Report				
Strategic	Operational	Financial / Reporting	Ethics / Legal / Compliance	Investments
Economic / Social / Geo-political / Regulatory Broad range of external risks including changes in the global economic, social, geo-political and regulatory environment.	Organization An aligned, effective organization structure which is adaptive to changing requirements.	Cash Management Accurate projection of cash sources and requirements, including effective management of receivables.	Fraud Protection of CalPERS assets, integrity and credibility through effective detection and prevention and investigation capabilities.	Investment Policy Investment policies are up to date and the Total Fund is invested consistent with the approved allocation policy benchmark and all other policy parameters.
Health Funding The ability to pay PPO, HMO, and Long Term Care costs, and the effectiveness of cost containment measures.	Procurement and Contract Management The process of cost effectively and efficiently acquiring goods or services and managing contracts consistent with applicable laws, regulations and CalPERS policies.	Financial / Administrative Controls Effective control policies and design, implementation and management of controls for contracting, decision making, and use of assets, including appropriate segregation of duties and delegation of authority.	Compliance with Laws and Regulations Compliance with all relevant laws, rules and regulations, including regulatory reporting, the Bagley-Keene Open Meeting Act, and privacy laws (e.g., HIPAA).	Total Fund Tracking Total Fund tracking error is the expected volatility of active returns between the Total Fund and the policy benchmark.
Pension Funding The funding ratio of the trust fund and the projected ability to meet the long-term obligations for pensions.	Business Continuity Management Effective planning for recovery and business continuity in the event of a disaster, hazard situation, or other business interruption.	Fiscal Planning Effective budgeting and planning which provides appropriate financial resources for the organization to meet its objectives.	Policy Compliance Compliance with all CalPERS policies e.g., operational, security, confidentiality, records management, and e-Discovery.	Asset Class Volatility The relative stability of asset class performance versus policy benchmarks.
Governance / Leadership Effective delegations, policies and procedures which result in timely, effective decisions and guide the System to meet its strategic objectives. Includes tone at the top and leadership succession planning.	Performance Management Ability to effectively and efficiently meet business objectives, including identification of appropriate business metrics, regular reporting and monitoring, and measurable improvement plans.	Reporting Financial and management reporting with integrity which meets management's needs for decision making and legal and statutory requirements for disclosure.	Ethical Conduct Adherence to CalPERS standards of conduct, personal trading policy, and conflict of interest policies.	Concentration Total Fund concentrations across asset classes including country, industry, currency and security asset type weights compared to benchmark weights to identify significant active weights.
Third Party Vendors and Partners Partners and service providers which perform as expected and maintain strong and effective working relationships with CalPERS.	Operational Controls Ensuring the proper level of controls is in place, with regular evaluation and reports of control effectiveness and adherence, including identification of needed remedial actions.		Tax Qualification Status Adherence to all laws and regulations which allow CalPERS to maintain its status as a qualified plan.	Leverage Each asset class remains within established leverage policies and the impact of leverage is fully understood.
Strategy and Policy Effective strategies and policies which anticipate changing requirements and result in the ability to meet CalPERS vision, mission, goals and objectives.	Technology / Systems Management Ability to provide a highly reliable, secure technology infrastructure that meets the information needs of CalPERS.			Counterparty Exposure Counterparties will be able to meet their contractual obligations.
Stakeholder Relations Effective communications and relationships with key stakeholders which maintain a high level of confidence in CalPERS and its reputation.	Customer / Member Service Ability to meet and exceed the service expectations of members and employers.			Liquidity Projected amount of liquidity relative to anticipated requirements and ability to fund current requirements without resorting to premature asset sales.
	Human Resources Management Maintaining an adequate, knowledgeable workforce with sufficient training and skills to meet organizational objectives. Includes hiring and succession planning and labor relations.			Investment Risk Management Measurement, management, monitoring and reporting of investment risk and returns. Includes sufficiency of resources and tools to measure, model and monitor risks.
	Physical Security The protection of personnel and physical assets from physical circumstances and events which could cause serious injury, loss or damage. This includes protection from fire, natural disasters, burglary, theft, vandalism and terrorism.			